



Restoring
brain health

**2020 ANNUAL GENERAL MEETING
H. LUNDBECK A/S**

24 March 2020



Welcome



LARS SØREN RASMUSSEN

Chairman of the Board of Directors

Board of Directors

– strong and relevant competencies



**LARS SØREN
RASMUSSEN**



**LENE SKOLE-
SØRENSEN**



**RIKKE KRUSE
ANDREASEN**



**LARS ERIK
HOLMQVIST**



**JEREMY MAX
LEVIN**



**HENRIK
SINDAL
JENSEN**



**LUDOVIC
TRANHOLM
OTTERBEIN**



**JEFFREY
BERKOWITZ**



**HENRIK
ANDERSEN**

Executive Management – expanded and more diverse during 2019



Deborah Dunsire

President and CEO



Lars Bang

Executive Vice President,
Product Development
& Supply



Elise Hauge

Executive Vice President,
People & Communications



Johan Luthman

Executive Vice President,
Research & Development

Jacob Tolstrup

Executive Vice President,
Commercial Operations



Peter Anastasiou

Executive Vice President,
North America



Anders Götzsche

Executive Vice President
CFO



Keld Flintholm Jørgensen

Executive Vice President,
Corporate Strategy &
Business Development



Note: Peter Anastasiou, Elise Hauge and Keld Flintholm Jørgensen participate in the Executive Management in their respective roles, but are not members of the Executive Management as registered with the Danish Business Authority

Agenda

1. Report of the Board of Directors on the Company's activities during the past year.
2. Presentation and adoption of the annual report.
3. Resolution on the appropriation of profit or loss as recorded in the adopted annual report.
4. Election of members to the Board of Directors.
5. Approval of remuneration for the Board of Directors for the current financial year.
6. Election of one or two state-authorised public accountants.
7. Any proposals by shareholders or the Board of Directors.
8. Any other business.

Item 1 and 2:

Report from the Board of Directors and 2019 Annual Report



LARS SØREN RASMUSSEN

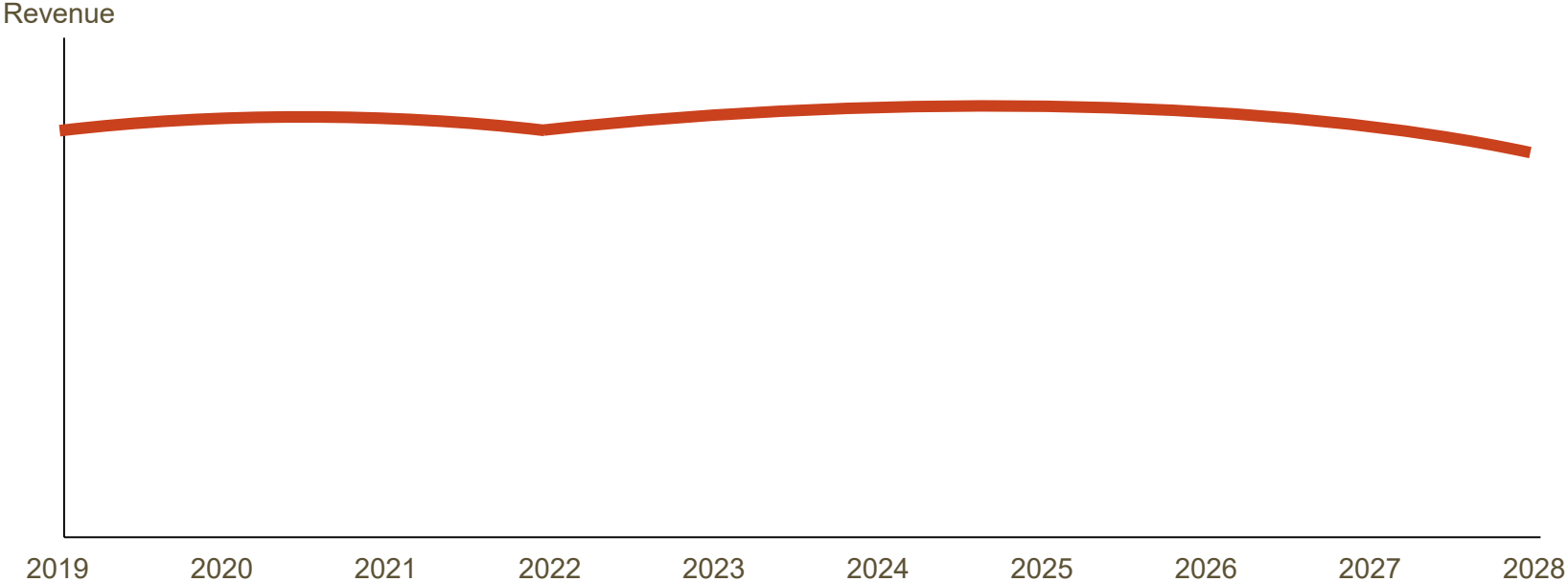
Chairman of the Board of Directors

2019 started with strategic challenges on several fronts

The long term outlook showed a relative flat 10-year base case forecast emphasising the need to fill our late stage pipeline

- ★ USA, the largest market, expected decline following Onfi and Northera loss of exclusivity in 2019 and 2021, respectively
- ★ EU challenged by Abilify Maintena loss of exclusivity in 2024
- ★ R&D pipeline was thin and high-risk with no near-term value triggers to significantly impact our market valuation
- ★ Total Shareholder Return (TSR) below the five year target range of analogue companies

2019: A flat 10-year outlook from existing business with sales decline from loss of exclusivity on older brands being replaced by strong growth in strategic brands

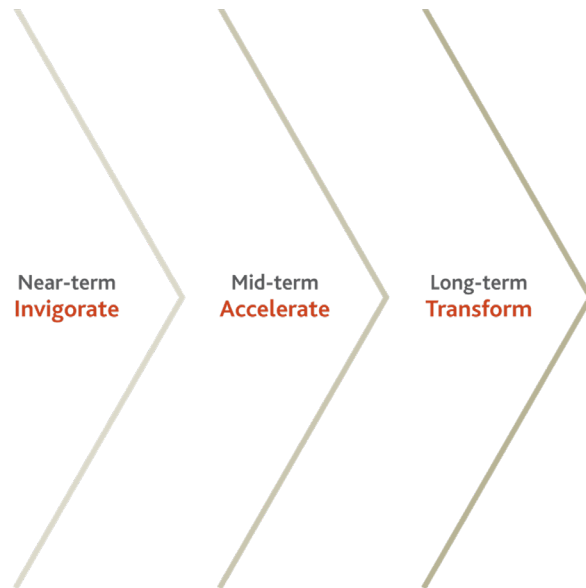
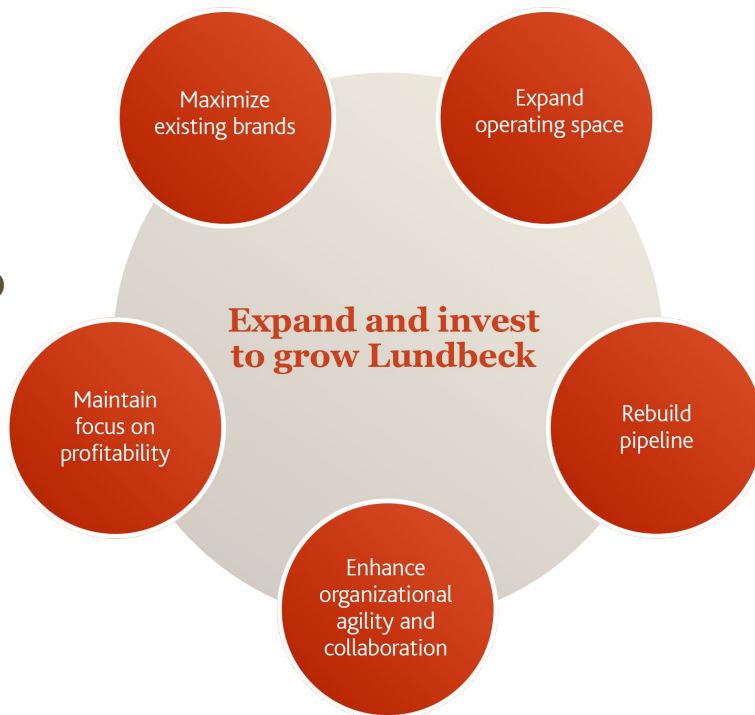


Illustrative revenue graph

A new strategy was launched in February 2019:

Expand and Invest to Grow

5 Strategic Imperatives to Focus on Growth



Strong progress on all five strategic imperatives during 2019 including maximizing existing brands



2019 was a tremendous year for Lundbeck

Revenue

DKKbn

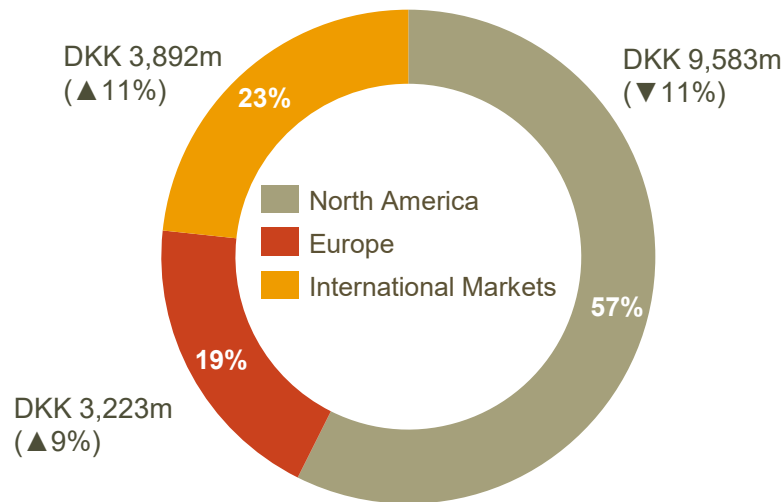
17.0

EBIT

DKKbn

3.6

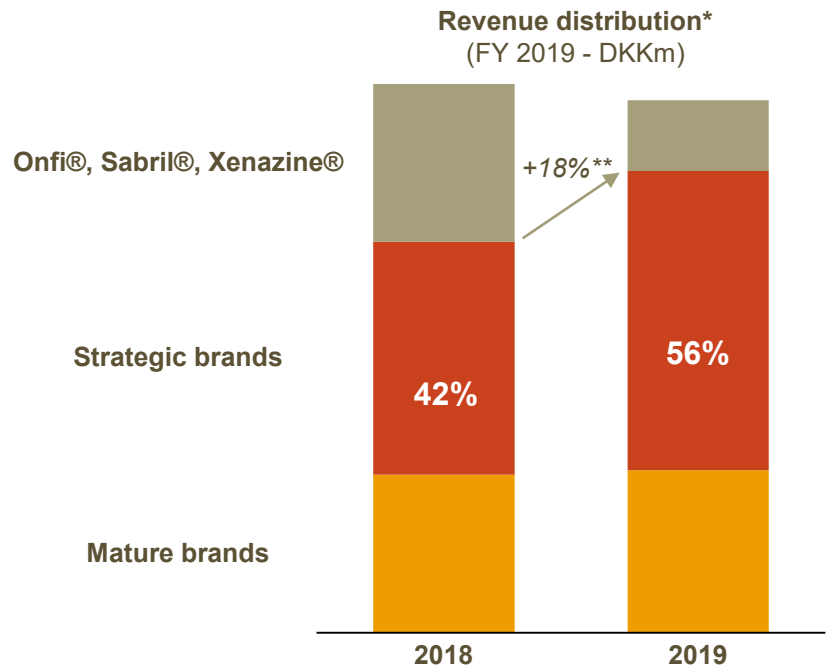
Revenue per region*
(FY 2019 - DKKm)



*Revenue per region excluding Other revenue and effects from hedging

Continued strong growth for the four strategic brands, but overall sales declined due to Onfi loss of exclusivity

Strategic brands (FY 2019 - DKKm)		
 	2,826	+30%
	2,328	+29%
	2,270	+32%
	1,961	+23%
Total	9,385	+28%



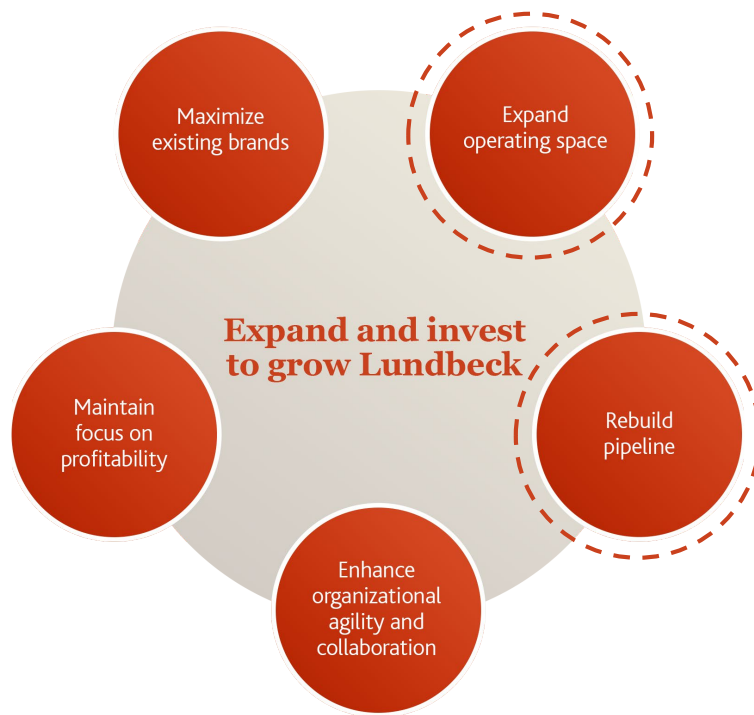
* Revenue per region excluding Other revenue and effects from hedging

** Total revenue, excl. Onfi, Sabril and Xenazine grow 18%

2019 financial performance in line with expectations

	Guidance 2019 DKKbn	Reported 2019 DKKbn	Reported 2018 DKKbn	
Revenue	16.7 - 16.9	17,036	18,117	
EBIT	3.4 - 3.7	3,608	5,301	
EBIT margin		21.2%	29.3%	

We expanded the operating space and began rebuilding the pipeline through internal and external innovation



50% of the pipeline is new since February 2019

Significant steps have been taken to strengthen pipeline:

- ★ Promising Life-Cycle Management activities progressed for Rexulti® and Abilify Maintena®
- ★ 3 new compounds from internal research entered clinical trials
- ★ Key acquisitions brought in pipeline programs and expanded the range of brain diseases where Lundbeck is active
 1. Abide Therapeutics
 2. Alder BioPharmaceuticals

	Project	Area	Phase I	Phase II (PoC)	Phase III (Pivotal)	Exp. Filing
New	Eptinezumab (anti-CGRP mAb)	Migraine Prevention				★
	Brexiprazole*	Agitation in Alzheimer's disease			★	~2021
	Brexiprazole*	PTSD			★	≥2023
New	Brexiprazole*	Borderline Personality Disorder		★		≥2025
	Foliglurax (mGluR4 PAM)	Parkinson's disease		★		~2025
	Lu AF11167 (PDE 10 inhibitor)	Schizophrenia		★		≥2025
New	Lu AG06466 (MAGLi)	Tourette's Syndrome		★		≥2025
	Aripiprazole* 2-month injectable	Schizophrenia	★			~2021
	Lu AF82422 (alpha-synuclein mAb)	Synucleinopathies	★			≥2025
	Lu AF28996 (D ₁ /D ₂ agonist)	Parkinson's disease	★			≥2025
New	Lu AG06466 (MAGLi)	Neuropathic pain	★			≥2025
New	Lu AF88434 (PDE1b inhibitor)	Cognitive function	★			≥2025
New	Lu AG09222 (PACAP mAb)	Migraine	★			≥2025
New	Lu AF87908 (Tau mAb)	Tauopathies	★			≥2025
New	Lu AF95245 (Kv7 activator)	Neuropsychiatric disorders	★			≥2025

*In partnership with Otsuka Pharmaceutical Development & Commercialization, Inc.

Most advanced stage shown

The acquisition of Alder BioPharmaceuticals expanded our operating space to Migraine and advanced our entry into bio-therapeutics

Adding pipeline and competencies

- ★ Migraine pipeline provide basis to build a franchise:
 - ★ Vyepti® (eptinezumab) – a pipeline in a product
 - ★ PACAP – currently in phase I
- ★ We maintain the site near Seattle
 - ★ Main focus on antibody product development and supply
- ★ Integration is completed



Migraine is one of the most debilitating diseases globally

- ★ Most disabling disease for people under 50 years - the most productive years of people's lives
- ★ ~18m individuals are candidates for prevention – less than 50% are treated
- ★ ~20%–35% of people with migraine have ≥ 4 migraine days per month
- ★ Attacks usually last 4-72 hours –
 - ★ Symptoms include extreme pain, nausea, vomiting, extreme sensitivities to light and sound, gastrointestinal issues
- ★ Significant unmet medical needs remain with existing preventive treatments, including speed of onset
- ★ Chronic migraine often leads to depression, anxiety, and sleep disturbances



Two large pivotal studies including ~2,000 patients demonstrated sustained efficacy and good tolerability



Promise 1

in Episodic Migraine Patients

(N=888; baseline ~9 migraine days/month)

- 30mg, 100mg, 300mg or placebo
- Up to 4 quarterly infusions
- **Primary endpoint:** Change from baseline in MMDs* over weeks 1-12
- 84 sites in 2 countries

* MMD: Monthly Migraine Days

Promise 2

in Chronic Migraine Patients

(N=1,072; baseline ~16 migraine days/month)

- 100mg, 300mg or placebo
- Up to 2 quarterly infusions
- **Primary endpoint:** Change from baseline in MMDs* over weeks 1-12
- 128 sites in 13 countries



Powerful

≥50%, ≥75% and 100% reductions in migraine days

Fast

Onset of prevention
Day One post-infusion

Sustained

for 3 months following
a single administration
and sustained or further
increased with
subsequent infusions

Meaningful

Patient reported outcomes
improved on Headache
Impact Test

Approved by U.S. FDA on 21 February

Vyepiti maximization through further trials

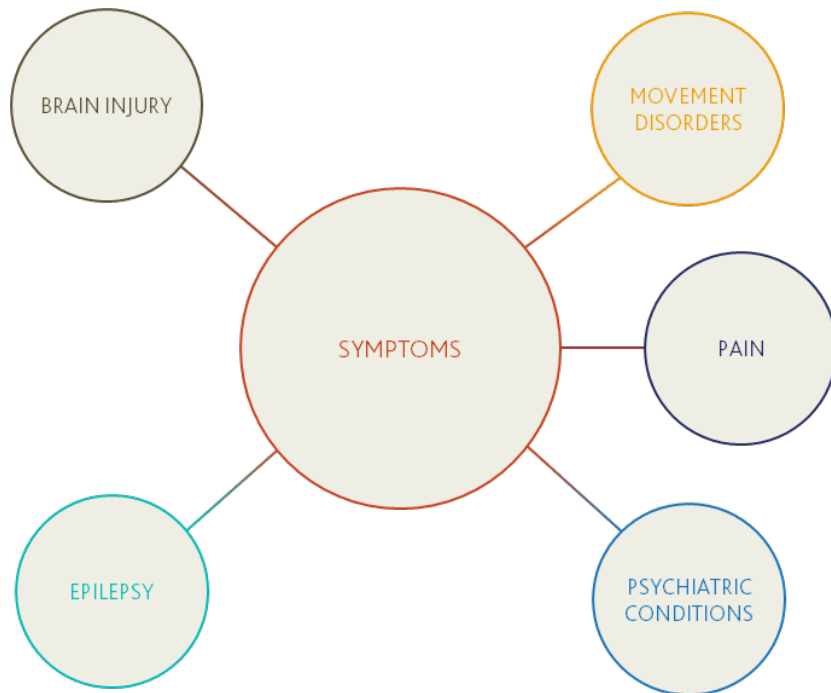
- ★ Submitted in Canada Feb. 2020
- ★ EU submission by end-2020
- ★ Preparing the path for China, Japan and emerging markets
- ★ Initiating phase IIIb study to facilitate EU market access
- ★ *RELIEF* study to complete Q4 2020
- ★ Trials for additional indications will begin Q4



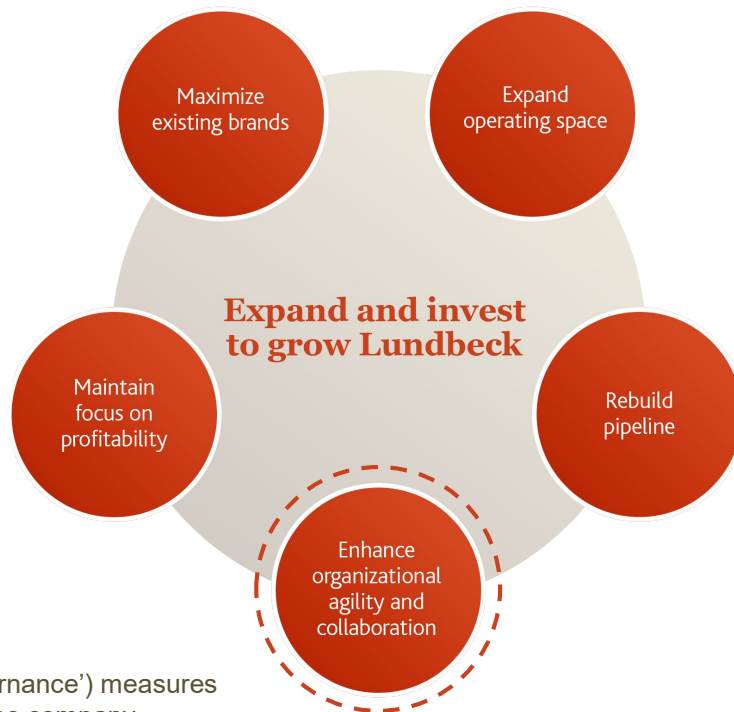
Lundbeck La Jolla Research Center: Access to a novel biology platform and some early clinical assets

Acquisition of Abide Therapeutics created Lundbeck La Jolla Research Center

- Access to world class MAG-lipase development candidates to bolster our portfolio
 - Many potential indications
 - Phase II: Tourette's
 - Phase I: Neuropathic pain
- Discovery site established in U.S.
- World class chemical biology platform to generate novel biological targets in important enzyme classes addressing psychiatry and neurology
- Chemical biology approach complements Lundbeck's neuroscience expertise



The operating model and culture of the organization advanced in 2019 as did the focus on ESG* objectives



* ESG ('Environmental Social and Governance') measures the sustainability and ethical impact of the company

Strengthening Lundbeck for the 2020's

- ★ Three new members of Executive Management added
- ★ Simplified R&D structure and strengthened certain functional leadership
- ★ Strong focus on establishing experimental medicine
- ★ Increased diversity throughout the organisation
- ★ Drive culture of “*One Global Lundbeck*” across all sites around the world



Lundbeck has a strong commitment to support and contribute to society and support the SDGs



Goal #12 and 13: Responsible production and Climate Action

- ★ Awarded Climate A list company 2019–
 - ★ Top 2% among 8,400 companies
- ★ CO₂ emission reduction by 66% since 2006
- ★ 76% recycling of our five most used solvents
 - ★ 5000 Tons less purchase of new organic solvents

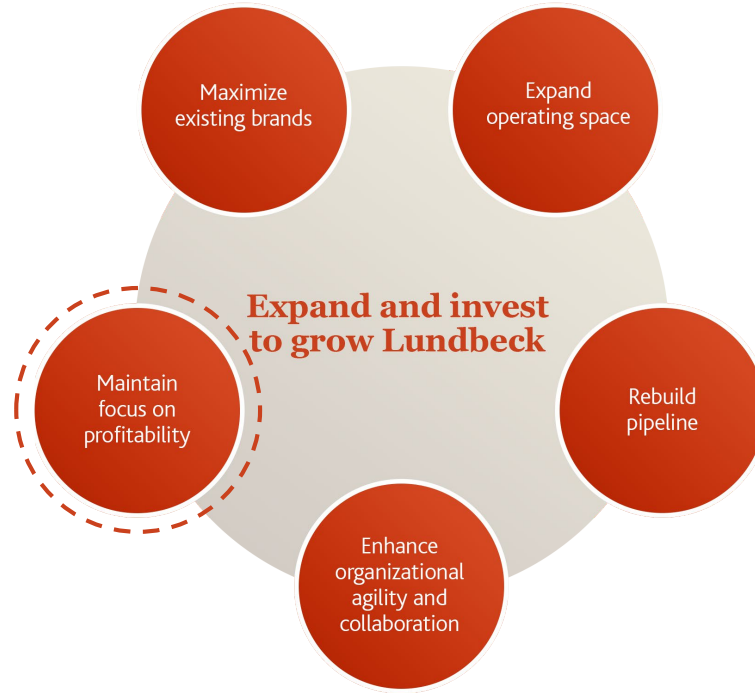
Goal # 3: Good Health and Well-being

- ★ *We are Tirelessly dedicated to restoring brain health, so that every person can be their best*
- ★ Strong collaboration with and supporting policy makers, health professionals, caregivers and patients across multiple dimensions related to mental health
- ★ Work to reduce stigma of brain disease and advocate for parity of access to care

Goal # 5: Gender equality

- ★ Overall Lundbeck gender split is 50/50;
 - ★ Work to do on equal representation at VP level
- ★ Updated Diversity and Inclusion Policy created
- ★ 2020 will increase focus leveraging diversity to build an inclusive, high-performing culture

While investing to grow, we emphasize strong cost control and prudent use of resources



Robust financial performance in 2019 with return to growth in Q4 following Onfi decline

FY2019

- ★ Revenue impacted by Onfi erosion
- ★ Operational costs up 2% to DKK 9.5 billion
- ★ EBIT margin mainly impacted by Onfi erosion

DKKm	FY 2019	Δ% y/y	Q4 2019	Δ% y/y
Revenue	17,036	(6%)	4,421	+5%
Operating costs	9,529	+2%	2,667	+2%
SG&A	6,413	+6%	1,777	+9%
R&D	3,116	(5%)	890	(10%)
Other, e.g. Costs related to Alder	(514)	-	(514)	-
EBIT	3,608	(32%)	291	(66%)
EBIT margin	21.2%	-8.1pp	6.6%	-13.6pp
EPS	13.42	(32%)	1.16	(65%)

Q4.2019

- ★ Return to revenue growth
- ★ Profit impacted by acquisition and integration costs
- ★ Underlying profitability strong with core EBIT margin reaching 21.9%

Financial position solid despite acquisitions and elevated investment levels

Selected cash flow figures

DKKm	FY 2019
Cash flows from operating activities	2,609
Cash flows from investing activities	(7,755)
Free cash flow	(5,146)
Cash flows from financing activities	4,548
Net cash flow for the period	(598)

Selected balance sheet figures

DKKm	31.12.2019
Intangible assets	23,399
Total assets	35,757
Equity	14,554
Non-current liabilities	10,923
Current liabilities	10,280
Cash, bank balances and securities	3,012
Interest-bearing debt	(9,578)
Net debt	(6,566)

2-6% revenue growth expected for 2020; Earnings impacted by investing to build Vyepti

- ★ Continued strong growth for strategic brands
- ★ Increased uncertainty following the corona virus outbreak
- ★ Substantial investments in launch and R&D activities for Vyepti
- ★ Effects from hedging is a loss of around DKK 200-250 million
- ★ Net financial expenses of DKK 300-400 million expected in 2020
- ★ Financial guidance based on currency levels from mid-January 2020*

2020 financial guidance

DKK	FY 2019 actual	FY 2020 guidance
Revenue	17,036m	17.4 – 18.0bn
EBITDA	4,823m	3.9 – 4.4bn
Core EBIT	4,976m	3.5 – 4.0bn
EBIT	3,608m	2.2 – 2.7bn
Effective tax rate	23.4%	22 – 24%

A positive outcome of the foliglurax phase IIa AMBLED-study can result in milestone payments of up to EUR 100 million in 2020. A milestone payment of EUR 25 million is payable if primary and key secondary endpoint are met and an additional EUR 75 million is payable if improvement in OFF time exceeds two hours. A negative outcome of the study might result in a write-down of the product rights whereby EUR 100 million will be recognized in the income statement.

*) Lundbeck's main trading currencies are the USD, JPY, CNY and CAD. The financial guidance is based on the hedging rates for our main currencies; i.e. USD/DKK (6.40), JPY/DKK (0.0615), CAD/DKK (4.93) and CNY/DKK (0.94)

Lundbeck is ready to win the 2020s

Driven by our Purpose:

Tirelessly dedicated to restoring brain health, so that every person can be their best

Guided by our beliefs:

Patient-Driven
Courageous
Ambitious
Passionate
Responsible



Focus areas for 2020:

- ★ Transformative launch of Vyepti during 2020
- ★ Capitalize on strong momentum in strategic brands
- ★ Expanding pipeline with promising science for future growth
- ★ Highly efficient global infrastructure
- ★ Addressing impact of Covid-19

A stylized, light green line drawing of a human brain, showing the cerebral cortex with its characteristic folds and grooves. The brain is positioned on the right side of the slide, partially obscured by a large orange rectangle.

ITEM 2: APPROVAL OF THE ANNUAL REPORT

A stylized, light green illustration of a human brain, showing the cerebral cortex with its characteristic folds and grooves. The brain is positioned on the right side of the slide, partially obscured by a large orange rectangle.

ITEM 3: RESOLUTION ON THE APPROPRIATION OF PROFIT OR LOSS

Item 3:

Resolution on distribution of profit or loss

<i>DKKm</i>	2019	Share
Profit for the year	2,667	
Transfer to distributable reserves	1,851	69%
Proposed dividends for the year	816	31%
Proposed dividend per share (DKK)	4.10	

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ITEM 4: ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS

Members of the Board of Directors

- elected at the 2019 AGM

Members	Independent	Remuneration & Nomination Committee	Audit Committee	Scientific Committee
Lars Søren Rasmussen, Chairman	Yes	✓ _C	✓	
Lene Skole-Sørensen, Deputy Chairman	No	✓		✓
Henrik Andersen	Yes		✓ _C	
Lars Erik Holmqvist	No		✓	
Jeremy Max Levin	Yes			✓ _C
Jeffrey Berkowitz	Yes	✓		✓
Henrik Sindal Jensen	Members elected by the employees for the period 2018-2022			
Ludovic Tranholm Otterbein				
Rikke Kruse Andreasen				

C = Chairman of the Committee

Members of the Board of Directors

- proposed for election at the 2020 AGM

Members	Independent
Lars Søren Rasmussen	Yes
Lene Skole-Sørensen	No
Henrik Andersen	Yes
Lars Erik Holmqvist	No
Jeremy Max Levin	Yes
Jeffrey Berkowitz	Yes
Henrik Sindal Jensen	Members elected by the employees for the period 2018-2022
Ludovic Tranholm Otterbein	
Rikke Kruse Andreasen	

Item 4:

Election of board members



**LARS SØREN
RASMUSSEN**



**LENE SKOLE-
SØRENSEN**



**LARS ERIK
HOLMQVIST**



**JEFFREY
BERKOWITZ**



**HENRIK
ANDERSEN**



**JEREMY MAX
LEVIN**

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ITEM 5: APPROVAL OF REMUNERATION

Item 5:

Approval of remuneration

Approval of remuneration for the Board of Directors for the current financial year

Board of Directors <i>DKK</i>	Current	Proposal
Members of the Board	350,000	400,000
Supplement to members of the Board with permanent residence outside of Europe	350,000	400,000
Deputy Chairman	700,000	800,000
Chairman	1,050,000	1,200,000
Committees <i>DKK</i>	Current	Proposal
Members of a committee	200,000	200,000
Chairman of a committee	300,000	300,000

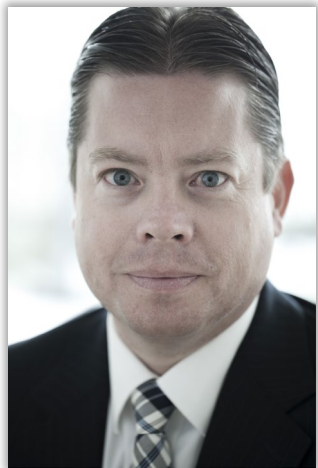
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ITEM 6: ELECTION OF STATE-AUTHORIZED PUBLIC ACCOUNTANTS

Item 6:

Election of State-Authorized Public Accountants

PWC, Statsautoriseret Revisionspartnerselskab



Lars Baungaard

State-Authorized Public Accountant



Torben Jensen

State-Authorized Public Accountant

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ITEM 7: PROPOSALS FROM SHAREHOLDERS OR THE BOARD OF DIRECTORS

Item 7:

Any proposals by shareholders or the Board of Directors

7.1. Acquisition of treasury shares

- ★ It is proposed to authorize the Board of Directors until the next annual general meeting to allow the Company to acquire treasury shares of a total nominal value of up to 10% of the share capital. The purchase price for the relevant shares may not deviate by more than 10% from the price quoted on Nasdaq Copenhagen A/S at the time of the acquisition.

Item 7:

Any proposals by shareholders or the Board of Directors

7.2. Adoption of the Remuneration Policy for the Board of Directors and Executive Management

- ★ The Board of Directors proposes to adopt the enclosed Remuneration Policy for the Board of Directors and the Executive Management of H. Lundbeck A/S. In 2016, the annual general meeting adopted the current Remuneration Guidelines for the Board of Directors and the Executive Management. The new Remuneration Policy has been prepared in accordance with the newly implemented sections 139 and 139a of the Danish Companies Act. As a consequence of the adoption of the Remuneration Policy, the Company's current Remuneration Guidelines will automatically be repealed and the reference to the guidelines for incentive pay set out in Article 5.6 of the Company's Articles of Association will automatically be deleted in accordance with section 139(6) of the Danish Companies Act.
- ★ The complete wording of the Remuneration Policy for the Board of Directors and the Executive Management of H. Lundbeck A/S was attached to the Notice of Annual General meeting and was made available on the Company's website on 26 February 2020

Item 7:

Any proposals by shareholders or the Board of Directors

7.3. Authorise the Board of Directors to increase the share capital of the Company

- ★ As the current authorisations set out in Articles 4.1 and 4.2 of the Articles of Association will expire on 25 March 2020, the Board of Directors proposes that the Board of Directors be granted new authorisations to increase the share capital of the Company with up to nominally DKK 100,000,000 with or without pre-emption rights for the shareholders in the period until 23 March 2025 and thereby to amend Articles 4.1, 4.2 and 4.3 of the Articles of Association as follows:
 - ★ “4.1 The Board of Directors is authorised, for the period until 23 March 2025, to increase, in one or more rounds, the Company’s share capital by a nominal amount of up to DKK 100,000,000. The new shares shall be issued at market price and the capital increase shall be implemented without pre-emption rights for the Company’s existing shareholders. The Board of Directors may decide to implement the increase of the share capital wholly or partly by way of non-cash contribution, including as consideration for the Company’s acquisition of an existing business or other assets.”
 - ★ “4.2 The Board of Directors is authorised, for the period until 23 March 2025, to increase, in one or more rounds, the Company’s share capital by a nominal amount of up to DKK 100,000,000. The capital increase shall be implemented with pre-emption rights for the Company’s existing shareholders. The Board of Directors shall determine the subscription price. The Board of Directors may decide to implement the increase of the share capital wholly or partly by way of non-cash contribution, including as consideration for the Company’s acquisition of an existing business or other assets.”
 - ★ “4.3 The capital increase which the Board of Directors may decide upon pursuant to articles 4.1 and 4.2 cannot exceed a total aggregate nominal amount of DKK 100,000,000.”
- ★ Further, the Board of Directors note that Article 4.6 of the Articles of Association and the corresponding Appendix 8 will be deleted from the Articles of Association due to expiry of warrant programs. Following such deletion, the current Article 4.7 will become Article 4.6.
- ★ A copy of the amended Articles of Association was made available on the Company’s website on 26 February 2020.

Item 7:

Any proposals by shareholders or the Board of Directors

7.4. Amend the standard agenda for the annual general meeting to include approval of the Remuneration Report and thereby amend Article 8.1 of the Articles of Association Authorise the Board of Directors to increase the share capital of the Company

- ★ The Board of Directors proposes to amend the standard agenda for the annual general meeting to include an advisory vote on approval of the Remuneration Report and thereby to amend Article 8.1 of the Articles of Association.
- ★ As a consequence of the new section 139b an advisory vote on approval of the Remuneration Report must be held annually. Therefore, the Board of Directors propose to include this vote as a standard item in the agenda referenced in Article 8.1 of the Articles of Association. The proposal entails amending Article 8.1 of the Articles of Association as follows:
 - ★ “8.1 The agenda of the annual general meeting shall include:
 - a. Report of the Board of Directors on the Company’s activities during the past year.
 - b. Presentation and adoption of the annual report.
 - c. Resolution on the appropriation of profit or loss as recorded in the adopted annual report.
 - d. Presentation of and advisory vote on the Remuneration Report.
 - e. Election of members to the Board of Directors.
 - f. Approval of remuneration for the Board of Directors for the current financial year.
 - g. Election of one or two state-authorised public accountants.
 - h. Any proposals by shareholders or the Board of Directors.
 - i. Any other business.”
- ★ A copy of the amended Articles of Association was made available on the Company’s website on 26 February 2020.

Item 7:

Any proposals by shareholders or the Board of Directors

7.5. Authorize the Chairman of the meeting to file for registration of the resolutions passed at the annual general meeting with the Danish Business Authority

- ★ The Board of Directors proposes to authorise the Chairman of the annual general meeting to make such amendments and additions to the resolutions passed by the annual general meeting and the application for registration with the Danish Business Authority that may be required by the Danish Business Authority in connection with the registration of the adopted amendments.

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ITEM 8: ANY OTHER BUSINESS

Questions

PSYCHIATRY
CEREBROVASCULAR BEHAVIOURAL
ANXIETY MOOD STRESS BIOLOGY
PERSONALITY & PSYCHOSIS DEMYELINATING DISORDERS
NEUROLOGY **CNS DEGENERATION/DEMENTIA**
MITOCHONDRIAL DISORDERS HEADACHE/MIGRAINE
DEMYELINATING DISORDERS OTHER NEUROLOGY AND RARE DISORDERS
MOVEMENT DISORDERS ADDICTION **BRAIN**
NEURO-ENDOCRINE DEMENTIA NEUROLOGY
PERSONALITY & PSYCHOSIS STRESS BIOLOGY
PAIN **DEVELOPMENTAL** DEMYELINATING DISORDERS
METABOLIC DISORDERS **EPILEPSY**
ANXIETY **NEUROLOGY**
DYSTROPHIES
MOOD

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THANK YOU AND GOODBYE

SEE YOU AT NEXT YEAR'S ANNUAL GENERAL MEETING